Land Mortgage Banks.

Q.—11. **Mr. A. G. MUDDARACHAPPA** (Bowringpet Municipality).—

Will the Government be pleased to state :—

(*a*) the object of Government in establishing Land Mortgage Banks in the Mysore State ;

(*b*) the number of applications received for the grant of loans since the establishment of such banks (This information may be furnished talukwar and districtwar) ;

(*c*) how many of these were sanctioned (To be furnished districtwar and talukwar) ;

(*d*) the number of applications filed without sanction ;

(*e*) whether any time-limit has been prescribed for the disposal of applications after their presentation ;

(*f*) the reasons for non-disposal of the applications received from the parties even after the lapse of several months ?

A.—**The SECRETARY to GOVERNMENT, LOCAL SELF-GOVERNMENT DEPARTMENT (Mr. P H. Krishna Rao).**—

(*a*) The object is the grant of long-term mortgage credit for the liquidation of prior debts or for the improvement or better cultivation of agricultural lands.

(*b*), (*c*) and (*d*) Please see statements enclosed. (Appendix.)

(*e*) No. Ordinarily the application is disposed of within a period of three to six months.

(*f*) 1. Delay by the parties to furnish information.

2. Want of facility to obtain information from creditors.

3. Necessity for thorough scrutiny of the applications.

Mr. B. SRINIVASA RAO.—With reference to answer (*f*) stating that creditors do not furnish the information in time, is there no scope to compel them to give the information ?

Mr. P. H. KRISHNA RAO.—As it is, there is no scope. If at all, measures to compel them by means of legislation have to be devised.

Mr B. SRINIVASA RAO.—Have not petitions been received praying that debt conciliation boards must be constituted simultaneously with the opening of land mortgage banks ?

Mr. P. H. KRISHNA RAO.—Petition or no petition, it is recognised that land mortgage banks and debt conciliation boards must go together.

Mr. B. SRINIVASA RAO.—Are the Government aware that the raiyats of Bowringpet Taluk are groaning under heavy indebtedness ?

Mr. P. H. KRISHNA RAO.—The case of Bowringpet Taluk along with some others is under the consideration of the Registrar.

Mr. B. SRINIVASA RAO.—The Government have been nominating the President of the land mortgage bank. Why should the Secretary also be nominated by them ?

Mr. P. H. KRISHNA RAO.—That is very necessary in the initial stages.

Mr. B. SRINIVASA RAO.—Because the Amildars, who will have to attend to various other duties, happen to be the chairmen, meetings of the bank cannot be held frequently. Is that not so ?

Mr. P. H. KRISHNA RAO.—Instructions will be issued that meetings should be held as often as necessary.

Mr. Suranage SIDDABASAPPA.—May I know why the land mortgage bank opened at Shikarpur was transferred to Sorab subsequently ?

Mr. P. H. KRISHNA RAO.—I cannot say off-hand.

Mr. Suranage SIDDABASAPPA.—Is not a bank necessary for each taluk ?

Mr. P. H. KRISHNA RAO.—May be. But we can provide them only gradually.

Mr. H. KRISHNAMURTHY ACHAR.—With reference to answer (*e*), may I know why no time-limit has been fixed for the disposal of applications ?

Mr. P. H. KRISHNA RAO.—The answer only refers to the practical difficulties in the way of quick disposals. But if all the required information is before the bank, there will be no delay.

Mr. H. KRISHNAMURTHY ACHAR.—In any case, is it not desirable to fix a time-limit?

Mr. P. H. KRISHNA RAO.—It is not always possible. It is only the applications which may be rejected that can be disposed of without delay.

Mr. H. KRISHNAMURTHY ACHAR.—Are not the Government aware that the raiyats cannot raise loans anywhere as easily as before?

Mr. P. H. KRISHNA RAO.—The position is really not so bad.

Mr. Bhupalam R. CHANDRASEKHARAYYA.—Is it not a fact that, even where loans are sanctioned, the full sanctioned amount has not been reaching the parties and that a good portion of it is being spent in the shape of commission to intermediaries?

Mr. P. H. KRISHNA RAO.—No. If any specific instance of such malpractices is brought to notice, drastic action will be taken against all those responsible.

Mr. T. V. NARASINGAPPA.—What are the considerations that will prevail in deciding upon the selection of places for opening these banks?

Mr. P. H. KRISHNA RAO.—The taluks wherein the crop returns are generally satisfactory and the raiyats are able to repay the debts will be shown preference.

Mr. T. V. NARASINGAPPA.—Is not Tarikere one such place?

Mr. P. H. KRISHNA RAO.—The claims of each place are being considered.

Mr. T. V. NARASINGAPPA.—Has no officer sent up a report that Tarikere requires a land mortgage bank?

Mr. P. H. KRISHNA RAO.—It is the Registrar of Co-operative Societies and the President of the Land Mortgage Bank that have to confer together and recommend the opening of a bank wherever necessary.

Mr. T. V. NARASINGAPPA.—Have not the people of Tarikere represented to the Dewan, the Second Member of Council and the Revenue Commissioner during their respective visits to the places, that there is urgent need for a bank there?

Mr. P. H. KRISHNA RAO.—They might have represented. But the question is whether it is possible to start banks in all places.

Mr. T. V. NARASINGAPPA.—At least to the extent possible, will it be hurried up?

Mr. P. H. KRISHNA RAO.—Yes, as far as possible.

Mr. L. VEMA REDDY.—Is it true that a minimum limit of Rs. 500 has been set for the loans to be issued by this bank?

Mr. P. H. KRISHNA RAO.—Recently that limit has been reduced to Rs. 300.

Mr. L. VEMA REDDY.—Can it not be reduced still further?

Mr. P. H. KRISHNA RAO.—Let us see how this change works. It is still in an experimental stage. As it is, we are getting plenty of applications for loans.

Mr. L. VEMA REDDY.—Ninety per cent of the raiyats are poor and will be satisfied with smaller loans. Why not reduce the present limit so that they also may be helped?

Mr. P. H. KRISHNA RAO.—The suggestion will be considered.

Mr. Yajaman N. Y. VEERABHADRACHAR.—There is neither a debt conciliation board nor a land mortgage bank at Nagamangala. May I know why?

Mr. P. H. KRISHNA RAO.—Land Mortgage Societies and Debt Conciliation Boards should go together. Conditions in Nagamangala are said to be unfavourable for starting a land mortgage society.

Mr. Yajaman N. Y. VEERABHADRACHAR.—At that rate, when is Nagamangala to get its turn, if at all?

Mr. P. H. KRISHNA RAO.—The question is engaging the attention of the Registrar of Co-operative Societies and the President of the Bank.

Mr. SHER KHAN.—The bank collects Rs. 11-4-0 from each member before admitting him as such. Why do they again insist on a special deposit amounting to one-twentieth of the loan amount being made before the loan is actually drawn? And if the deposit is necessary, why not the bank disburse the balance of loan after deducting an amount equal to the deposit, instead of cash being deposited by the applicant?

Mr. P. H. KRISHNA RAO.—The question will be examined.

Mr. G. S. SUBBA RAO.—While debt conciliation boards are formed in many places, land mortgage banks have been established only in a few. What is the reason for it?

Mr. P. H. KRISHNA RAO.—As stated already, it is under contemplation to open land mortgage banks in all the promising taluks.

Mr. G. S. SUBBA RAO.—Is it not in places where the raiyats are very poor that the banks are required more urgently?

Mr. P. H. KRISHNA RAO.—But the bank must be sure of the repayment of its money; and the raiyat can repay the loan only with the help of the crops raised. When crops themselves are uncertain, money may not be repaid. The bank cannot take risks in such cases.

Mr. G. S. SUBBA RAO.—Is there any programme for opening land mortgage banks?

Mr. P. H. KRISHNA RAO.—No regular programme has been prepared. But it is the intention of the land mortgage bank to open branches throughout the State, if possible.

Mr. G. S. SUBBA RAO.—In that case, is not the work likely to make very tardy progress?

Mr. P. H. KRISHNA RAO.—I do not think so. Already 36 taluks have been provided with such banks. That is nearly half the State, and the other half will also have banks as soon as possible.

Mr. G. S. SUBBA RAO.—Will a bank be established at Madhugiri at least within one year?

Mr. P.H. KRISHNA RAO.—If possible.

Mr. MAYI GOWDA.—Has it come to notice that loans are not granted even in places where land mortgage banks have been started?

Mr. P. H. KRISHNA RAO.—No.

Mr. MAYI GOWDA.—Ordinarily, these banks grant loans only up to 50 per cent of the value of the security offered, whereas private moneylenders have already advanced loans up to 75 per cent of the value of the same securities. Will it not therefore be desirable to raise the limit from 50 per cent to 75 per cent to facilitate the liquidation of the prior debts?

Mr. P. H. KRISHNA RAO.—As stated already, the bank has got to safeguard its own financial interests. Secondly, there is a sufficient demand from people who will be satisfied with loans up to 50 per cent of the value of the securities.

Mr. MAYI GOWDA.—If so, what should happen to others who are already heavily involved?

Mr. P. H. KRISHNA RAO.—After all, the bank can help only those who can be redeemed. Persons who are already involved too heavily cannot be saved by anybody.

Mr. B. SITHARAMIAH.—Even in such cases, some little relief should be given.

Mr. P. H. KRISHNA RAO.—I am afraid, to such men the land mortgage bank may not be of much help. Some other scheme will have to be devised to save them, if possible.

Mr. M. SUBBIAH.—Why should the committee be guided by the reports of co-operative inspectors in sanctioning loans? Why not have some local directors to scrutinize the applications and recommend loans?

Mr. P. H. KRISHNA RAO.—That is what is being done even now. The valuation committee inspects the property first and then the Inspector goes and values it. So the board is not guided entirely by the opinion of the Inspector.

Mr. M. SUBBIAH.—Why not dispense with the Inspector's report?

Mr. P. H. KRISHNA RAO.—It is not considered desirable to do that. The bank's interests are best secured by such checks and counter-checks.

Mr. M. SUBBIAH.—The encumbrance certificate is produced in every case. On the basis of that, why not the directors consider each application and sanction the loan?

Mr. P. H. KRISHNA RAO.—Even with all these safeguards, we find that very often the information furnished is incomplete and it takes a lot of time to get all the required information. If even the existing checks are taken away, the recovery of the loans will be rendered doubtful.

Mr. M. SUBBIAH.—Why not try the experiment for some time?

Mr. P. H. KRISHNA RAO.—It is not desirable to do that.

Stone-work at Spring Heads of Certain Talapariges.

Q.—12. Mr. G. RAMIAH (Koratagere Taluk).—

Will the Government be pleased to state whether petitions have not been made to Government requesting for the construction of stone-work at the spring heads of certain talapariges in Koratagere Taluk?

A.—The CHIEF SECRETARY to GOVERNMENT (Rajasevaprasaktha B. T. Kesavaiengar).—

Yes, in respect of some spring heads.

Mr. G. RAMIAH.—Have any petitions been received for similar work in respect of other talapariges?

Mr. B. T. KESAVAIENGAR.—Yes, we have received one from Kyasavara.

Mr. G. RAMIAH.—When was it received?

Mr. B. T. KESAVAIENGAR.—I cannot say without notice.

Mr. G. RAMIAH.—Was any action taken thereon?

Mr. B. T. KESAVAIENGAR.—Yes, an estimate has been prepared and sent to the Deputy Commissioner.

Mr. G. RAMIAH.—Will necessary steps be taken to commence the work soon?

Mr. B. T. KESAVAIENGAR.—The raiyats will have to carry out some preliminary work at the spring heads to facilitate the proper flow of the water. Usually the sides are allowed to be overgrown with rank vegetation which obstructs the flow of water. In the rainy season, the earthwork is washed off and rank vegetation takes the place of the bunds. It is the duty of the raiyats to remove such vegetation. As that is not done and silt accumulates, the spring heads do not often function properly.

Mr. G. RAMIAH.—Have the raiyats been called upon to do the work?

Mr. B. T. KESAVAIENGAR.—Yes, and the Deputy Commissioners have been instructed to insist on the work being done wherever the raiyats have not done it already.

Mr. G. RAMIAH.—After the raiyats have attended to their part of the work, will the Government undertake the stone-work in all cases?

Mr. B. T. KESAVAIENGAR.—We shall consider such cases sympathetically.

Mr. G. RAMIAH.—What is the total extent of cultivated lands under talapariges?

Mr. B. T. KESAVAIENGAR.—Notice.

Mr. N. SONNAPPA.—In any case, when the Government are levying assessment, is it not their duty to provide facilities for irrigation?

Mr. B. T. KESAVAIENGAR.—That is why I said that if the raiyats first attend to their part of the work, the Government would undertake theirs.

Mr. N. SONNAPPA.—I am sure the raiyats are not unwilling to do their part of the work. On the contrary, our grievance is that even where the raiyats' work has been done, the department has not taken up the further work.

Mr. B. T. KESAVAIENGAR.—If that is so, we shall consider the cases.

Mr. T. SHADAKSHARAPPA.—As regards stone-work at spring heads of talapariges, have any petitions been received from the Chitaldrug District?

Mr. B. T. KESAVAIENGAR.—No.

Mr. T. SHADAKSHARAPPA.—When petitions are received, will they be considered?

Mr. B. T. KESAVAIENGAR.—Certainly.

Mr. T. SHADAKSHARAPPA.—Is there anything else to be done by the raiyats in addition to clearing rank vegetation?

Mr. B. T. KESAVAIENGAR.—For the stone-work itself, they will have to give their contribution.

Mr. G. S. SUBBA RAO.—When the present Second Member of Council visited Madhugiri as Revenue Commissioner, the raiyats of Madhugiri and Guru Vaderahalli had presented a petition representing that the bund of the tank in the latter village should be